Ministry of the Economy

Plan for 2017-18

saskatchewan.ca

Government of Saskatchewan

Table of Contents

Statement from the Ministers 1

Response to Government Direction 2

Operational Plan 3

Highlights 8

Financial Summary 9

Statement from the Ministers

The Honourable Jeremy Harrison

Minister of the Economy

The Honourable Dustin Duncan

Minister of Energy and Resources

We are pleased to present the Ministry of the Economy's Plan for 2017–18.

This plan outlines where and how our Ministry will concentrate its efforts in the new fiscal year as we carry out our ongoing work to create activity and opportunity in Saskatchewan by enabling economic growth. Government Direction and Budget for 2017-18 is focused on *Meeting the Challenge*, finding the right balance between addressing the deficit and ensuring that Saskatchewan people continue to have the programs, services and infrastructure that they need. Government will deliver sustainable, high quality public services in the most cost-effective way possible.

Our mineral resources and energy sectors continue to push through a challenging global market cycle which is impacting economic growth. However, capital investment and other indicators of diversified economic activity are still relatively strong compared to historical averages, and the long-term outlook for Saskatchewan's economy remains favourable. The global mining and oil and gas industries rank Saskatchewan as one of the most favourable jurisdictions in the world for investment potential, according to the Fraser Institute. Over the past five years, private and public investment in Saskatchewan has totaled $85 billion—a strong vote of confidence in the potential of this province. Perhaps most telling of all, Saskatchewan's population continues to grow; Statistics Canada's 2016 Census population count shows that Saskatchewan grew by 64,971 people in the five years since the 2011 Census and by more than 130,000 people over the past decade—a radical change from the 10-year period prior to that, when Saskatchewan's population actually dropped by 22,000 people. This is a clear sign that Saskatchewan continues to be a place where people feel their future is brightest.

For our part, we are working hard to ensure that when businesses and investors are deciding where to invest their next dollar, they think of Saskatchewan. Clear policies and a stable, transparent regulatory regime are critical to that scenario. But that is not enough. We believe those policies and regulations must continually be improved upon to support a highly competitive, business-friendly operating environment. That is why we place such a high priority on regulatory modernization. It's why the made-in-Saskatchewan brand can be found across the world wherever our tough, entrepreneurial manufacturers have found a market for their exports. It's how strong government support of a large and diverse agriculture sector is helping to drive an agri-value industry that generates $5 billion in activity. It is also the rationale for working with our stakeholders and partners to plant a flag on potential areas of growth and opportunity, and enable the private sector to do what it does best.

This kind of proactive and forward thinking is the currency of the future. Our Ministry is committed to helping our province and its people realize that future, and the goals and objectives outlined in this Plan will assist us in doing so.

Response to Government Direction

The Government of Saskatchewan is committed to *Meeting the Challenge* of the current fiscal situation. In so doing, Government will continue to support and encourage economic growth, and ensure government services are affordable and sustainable in the long term. This will include pursuing transformational change so that Saskatchewan people have the programs, services and infrastructure they need now and in the future.

This focus will continue to advance Government toward the realization of Saskatchewan's Vision and goals.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Saskatchewan's Vision and goals provide the framework for ministries, agencies and partners to align their programs and services and meet the needs of Saskatchewan's residents.

All ministries and agencies will report on progress in their 2017-18 annual reports.

Operational Plan

Mandate Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan. The Ministry attracts investment and removes barriers to growth; regulates responsible resource development by facilitating resource exploration and development within an effective regulatory framework; and supports a robust labour market by developing, attracting and retaining a skilled labour force.

Mission Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan.

Government Goals

Sustaining growth and opportunities for Saskatchewan people
Meeting the challenges of growth
Securing a better quality of life for all Saskatchewan people
Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: sustaining economic growth and addressing the challenges of growth.

Ministry Goal

Advancing Saskatchewan's natural resource and agriculture strengths, particularly through innovation to build the next economy.

Strategy

Ensure royalties are responsive to price cycles and encourage on-going exploration when prices are low, while maintaining a fair return to the province.

Key Action

- Maintain and monitor the Province's royalties, taxes and regulations to ensure a competitive environment.

Strategy

Increase natural resource production.

Key Action

- Foster an environment that encourages investment in the Province.

Strategy

Update regulations and supporting processes.

Key Action

- Improve regulatory processes and standards.
  - Strengthen industry oversight through the implementation of the Pipeline Regulation Enhancement Program.

Strategy

Encourage value-added diversification.

Key Actions

- Increase engagement with companies to further value-added diversification in the Province.
- Facilitate and improve effectiveness by working across Ministries and Crown Corporations.
- Identify investment opportunities based on Saskatchewan's competitive advantages and value proposition.

Strategy

Encourage and foster the development of integrated infrastructure to support economic growth.

Key Actions

- Better integration of infrastructure development in industrial parks, pipelines, highways, power and water.
- Continue to support strategic projects with municipalities.

Performance Measures

Saskatchewan Value of Mineral Sales

Achieve a value of mineral sales of $10.1 billion in 2017-18.

Saskatchewan Crude Oil Production

Produce 174 million barrels of crude oil in 2017-18.

Saskatchewan Provincial Forest Timber Harvest

Continue to increase timber harvest levels, with a target of 3.6 million cubic meters in 2017-18.

Maintain number one Canadian ranking in the Fraser Institute Global Petroleum Survey policy perception index in 2017-18.

Maintain number one global ranking in the Fraser Institute Survey of Mining Companies' investment attractiveness index in 2017-18.

Government Goals

Sustaining growth and opportunities for Saskatchewan people | **Meeting the challenges of growth** | Securing a better quality of life for all Saskatchewan people | Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: sustaining economic growth and addressing the challenges of growth.

Ministry Goal

Ensure the on-going competitiveness of Saskatchewan's economy.

Strategy

Remain amongst the most competitive provinces in Canada.

Key Actions

- More effectively use the results of public research and development activities to encourage private investment.
  - Realign exploration and development research spending.
- Maintain capital investment level at $16B or greater.

- Digitize information that investors need to make decisions.
- Encourage private sector innovation by introducing a Saskatchewan Commercial Innovation Incentive.
- Engage our Aboriginal population.
- Support the competitiveness of the resource sector by ensuring environmental sustainability.
  - Begin installation of the tailings cover and waste rock remediation at the Gunnar mine site.

Strategy

Increase the number of people working in Saskatchewan.

Key Actions

- Align skills training investments with the needs of the economy.
- Attract skilled workers to Saskatchewan in alignment with labour market needs through national recruitment and immigration activities.
- Retain skilled workers, including strategies for young and mid-career workers, and settlement of newcomers.
- Work with employers and community partners to improve the employment rate of groups who are under-represented in the workforce.
- Assist employers in accessing education/training, recruitment and employee retention solutions.
- Modernize client service delivery through citizen-centred design and the development of the online tools that employers, job seekers and students are looking for.

Strategy

Maintain strong collaborative relationships with other ministries/agencies whose regulatory activities have an impact on development.

Key Actions

- Maintain tax competitiveness and a favorable regulatory environment to attract and retain businesses in Saskatchewan.
- Review business regulations to reduce barriers to growth.
- Influence regulations and policy in relation to climate change.
- Maintain close working relationship with the Ministry of Environment and other ministries to identify and overcome hurdles in natural resource development.

Performance Measures

Saskatchewan Private Capital Investment

Maintain capital investment in SK at $16 billion or greater in 2017-18.

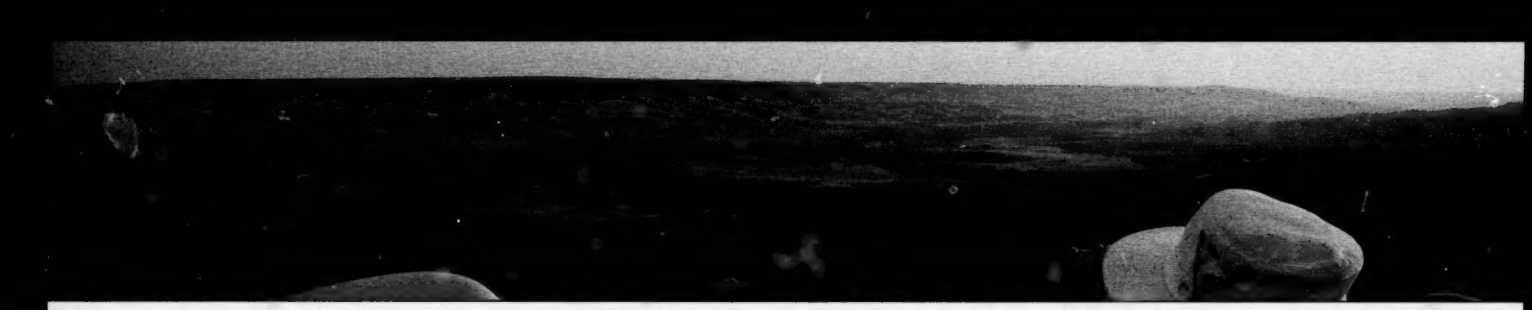
Employment Levels in Saskatchewan

Increase employment levels in Saskatchewan to 590,200 in 2017-18.

Saskatchewan Red Tape Cost Savings

Government red tape cost savings of $5 million or more in 2017-18.

Red tape can be found in statutes, regulations, programs, policies, procedures and standards. Reducing red tape means government working closely with stakeholders to find a "better way" to reduce stakeholder compliance requirements while still preserving public health and safety. It means taking a risk based approach to leave the smallest regulatory footprint that will achieve the desired outcome of the regulatory requirement.



Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: sustaining economic growth and addressing the challenges of growth.

Ministry Goal

Increase trade, investment and exports through international engagement.

Strategy

Better align and coordinate the Ministry's resources among economic partners.

Key Actions

- Strengthen inter-governmental and commercial relationships.
- Increase foreign direct investment in primary and value-added industries.

Strategy

Build the Saskatchewan brand around the world.

Key Actions

- Increase outreach through missions and promotions.
- Develop existing and new trade markets.

Performance Measures

Investment/Reinvestment "Wins"

Investment/reinvestment "wins" in the amount of $1 billion in 2017-18.

A "win" is a confirmed investment by a company from outside Saskatchewan into the province, or a reinvestment from a company inside Saskatchewan, and where the Ministry efforts supported an investment decision and the company would acknowledge it. It could take the form of establishing a business in Saskatchewan, a joint venture or partnership with an existing business, a merger/acquisition of an existing business, research agreements, or making investment into a company.

Saskatchewan Value of Exports

Increase the value of exports to $51.1 billion in 2017-18.

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: fiscal responsibility to support growth.

Ministry Goal

Achieve organizational excellence.

Strategy

Implement continuous improvements to achieve organizational excellence.

Key Actions

- Improve fiscal reporting and accountability.
- Ensure the Ministry's systems are up-to-date with the required information technology infrastructure to enhance service to citizens and businesses.
  - Improve availability of online services for our clients.
- Ensure knowledge transfer within the Ministry.
- Support innovation and empowerment of employees.
- Lead and support the development of a high performing organization and a safe work environment.
- Include the voice of the client/customer in program development.

Highlights

2017-18 Budget Highlights:

The Ministry of the Economy is working to keep Saskatchewan strong by balancing building for the future with fiscal responsibility by:

- Increasing the Canada-Saskatchewan Job Grant to better meet the demands of the employers in the province for training.
- Providing funding for a new multi-year Pipeline Regulation Enhancement Program to strengthen Saskatchewan's approach to pipeline regulation.
- Expanding the Field Inspection and Compliance monitoring for pipelines and sour gas.
- Providing funding to expand the technical capacity of the Ministry to support the Government of Saskatchewan's climate change commitments related to the upstream oil and gas industry.
- Providing additional funding to continue responsible clean-up and remediation of the Gunnar uranium mine site.
- Providing additional funding to expand the Integrated Resource Information System (IRIS) to ensure it provides efficient service to the oil and gas industry.

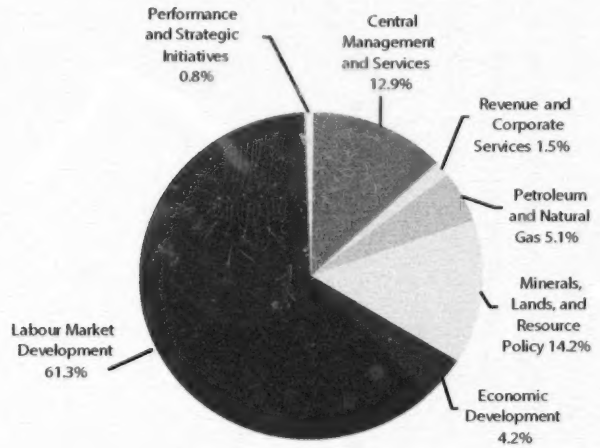
Financial Summary

2017-18 Estimates	(in thousands of dollars)
Central Management and Services	33,177
Revenue and Corporate Services	3,852
Petroleum and Natural Gas	12,988
Minerals, Lands and Resource Policy	36,489
Economic Development	10,844
Labour Market Development	157,364
Performance and Strategic Initiatives	1,947
Total Appropriation	**259,661**
Remediation of Contaminated Sites	(24,931)
Non-Appropriated Expense Adjustment	3,251
Capital Asset Acquisitions	(460)
Total Expense	**234,521**

FTE Staff Complement	568.9

For more information, see the Budget Estimates at: http://www.saskatchewan.ca/budget

Ministry of the Economy, Budget 2017-18


Performance and Strategic Initiatives 0.8%
Central Management and Services 12.9%
Revenue and Corporate Services 1.5%
Petroleum and Natural Gas 5.1%
Minerals, Lands, and Resource Policy 14.2%
Economic Development 4.2%
Labour Market Development 61.3%

For More Information

Please visit the Ministry's website at http://www.saskatchewan.ca/government/government-structure/ministries/economy